

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04
SIL-01 AGRE-00 PA-02 PRS-01 /095 W
-----160131Z 053646 /70

R 152037Z FEB 77

FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 0107
AMEMBASSY BUENOS AIRES
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

UNCLAS BRASILIA 1249

E.O. 11652: N/A

TAGS: ETRD, BR, AR

SUBJECT: BRAZIL-ARGENTINA SIGN AGREEMENT TO FACILITATE
AND INCREASE BILATERAL TRADE

1. SUMMARY: GOB AND GOA FOREIGN TRADE OFFICIALS MET IN
BUENOS AIRES FEB. 7-9 TO DISCUSS AND RESOLVE VARIOUS
TECHNICAL PROBLEMS AFFECTING BILATERAL TRADE. THE RESULT
OF THESE TALKS WAS A AMEMORANDUM OF UNDERSTANDING
LIBERALIZING EXPORT/IMPORT PROCEDURES ON BOTH SIDES.
ONE BRAZILIAN NEWSPAPER REPORTS OBJECTIVE OF AGREEMENT
WAS TO EXPAND BILATERAL TRADE TO US\$ONE BILLION LEVEL
IN 1977. END SUMMARY.

2. THE MOU WAS SIGNED AT THE CONCLUSION OF DISCUSSIONS
HELD BETWEEN ARGENTINE SECRETARY FOR FOREIGN TRADE AND
INTERNATIONAL ECONOMIC RELATIONS, ALBERTO FRAGUIO, AND
THE DIRECTOR OF THE FOREIGN TRADE DEPARTMENT (CACEX) OF
BANCO DO BRASIL, BENEDITO MOREIRA. THE MAIN POINTS
OF THE MOU ARE AS FOLLOWS:

--THE MAXIMUM PERIOD FOR ISSUING OR DENYING

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IMPORT PERMITS FOR ALL GOODS, WHETHER NEGOTIATED
THROUGH LAFTA OR NOT, IS FIXED AT 15 DAYS;
--THE APPROPRIATE AGENCIES AND MINISTRIES WILL
STUDY THE POSSIBILITY OF ESTABLISHING RECIPROCAL
LINES OF CREDIT BETWEEN THE TWO COUNTRIES' OFFICIAL
BANKS TO FINANCE COMMERCIAL OPERATIONS;
--THE GOB PROMISED TO RECONSIDER THE TARIFF

STATUS OF CERTAIN ARGENTINE GOODS WHICH, ALTHOUGH
NEGOTIATED IN LAFTA, WERE DENIED ACCESS TO
BRAZILIAN MARKETS BECAUSE THEY WERE DECLARED TO BE
IN A DIFFERENT TARIFF CATEGORY;

--FURTHER STUDY WAS ALSO CALLED FOR CONCERNING
THE BRAZILIAN COMPLAINT THAT ARGENTINE MARGINS OF
PREFERENCE ARE ALTERED WHEN APPLIED TO CERTAIN
BRAZILIAN PRODUCTS;

--BOTH SIDES AGREED TO A POLICY OF DIRECT
CONSULTATION AND PRIOR NOTIFICATION WHENEVER ONE
COUNTRY PLANS TO IMPLEMENT MEASURES RESTRICTING
IMPORTS FROM THE OTHER.

3. ACCORDING TO "JORNAL DO BRASIL" (FEB. 11), THE
"PRINCIPAL OBJECTIVE" OF THE AGREEMENT IS TO EXPAND
BILATERAL TRADE TO THE US\$ONE BILLION LEVEL IN 1977.
(ACCORDING TO BRAZILIAN CENTRAL BANK STATISTICS,
BRAZIL-ARGENTINE TRADE FOR THE FIRST 9 MONTHS OF
1976 TOTALLED US\$436 MILLION, WITH BRAZIL HOLDING
A US\$29 MILLION SURPLUS.)

4. COMMENT: THIS AGREEMENT IS THE MOST RECENT
EXPRESSION OF THE GEISEL ADMINISTRATION'S ANNOUNCED
POLICY OF STRENGTHENING RELATIONS, PARTICULARLY
ECONOMIC, WITH NEIGHBORING COUNTRIES. IT IS ALSO
A GOOD INDICATION OF THE PRESTIGE AND POWER
WIELDED BY CACEX DIRECTOR MOREIRA IN THE FOREIGN
TRADE SECTOR.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE AGREEMENTS
Control Number: n/a
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3323697
Secure: OPEN
Status: NATIVE
Subject: BRAZIL-ARGENTINA SIGN AGREEMENT TO FACILITATE AND INCREASE BILATERAL TRADE
TAGS: ETRD, BR, AR
To: STATE BUENOS AIRES
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e749cec6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009